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Farmland Protection Programs: What Does the Public Want?

Public support has been growing for government farmland protection programs. Since the late 1980s, the extent of farmland enrolled in these programs has grown from tens of thousands of acres, largely in the Northeast, to nearly a million acres spread across 20 states. With the authorization of USDA's Farmland Protection Program (FPP)—intended to protect topsoil by limiting nonagricultural use of the land—the Federal government has become a partner in the effort to preserve agricultural land, distributing about \$50 million since 1996 to a variety of state and local programs.

What explains the growing interest in farmland protection? At the root of support for these programs is the recognition that farmland produces more for society than food and fiber. In particular, farmland is an important source of rural amenities—a range of goods and services from opportunities for outdoor recreation, such as hunting and fishing, to the pleasures of viewing a pastoral scene on a Sunday drive. For some, rural amenities even include the satisfaction of simply knowing the agrarian way of life continues, whether or not they are able to view it.

Rural amenities rarely provide enough income to farmland owners to sway deci-

sions concerning land use or development. Preserving rural amenities is sometimes approached through programs like farmland protection, which provide payments to landowners for maintaining their land in farms or ranches. Rural amenities, however, are not a uniform commodity. Farmland differs from place to place, providing varying levels of rural amenities. Moreover, preferences among the public for various rural amenities differ, and not all rural amenities may be best provided by farmland. While some amenities—like an agrarian cultural heritage—seem to require protection of farmland, others—like wildlife habitat—may be better provided by protecting nonagricultural rural lands such as forestlands and grasslands.

Designing and implementing a farmland protection program that is cost-effective and provides the greatest possible benefits requires an understanding of 1) public preferences for particular rural amenities, and 2) which of these amenities is best provided through farmland preservation. Since rural amenities generally have no price tags, it can be difficult to compare public preferences for one rural amenity or set of amenities over another, or to assess public willingness to spend on rural amenities over other projects. Some means of ascertaining public values for

various amenities is therefore necessary for effective policy design.

Discovering Public Preferences For Rural Amenities

One approach is to ask people what characteristics they think farmland protection programs should preserve. A limited number of economic studies have taken this approach. These studies suggest that preserving amenities that are uniquely associated with active agriculture may not always be a dominant preference of the public. A variety of reasons for protecting farmland is given, ranging from environmental concerns and maintaining open space, to preservation of family farms and the protection of local food supplies. No single reason seems to dominate, although some reasons rise to the top in particular regions. For example, some studies indicate that environmental concerns rank highest in Rhode Island, while other studies suggest that protecting small- and medium-sized farms is most important in Colorado.

To further explore public preferences for rural amenities and their relationship to farmland preservation, USDA's Economic Research Service (ERS) examined the design and implementation of actual farmland and rural land preservation programs. Since these programs have already received taxpayer support, researchers expected that preferences of the public could be identified.

The study involved three lines of investigation:

- An analysis of the language in legislation authorizing farmland preservation programs in 48 states (excluding Alaska and Hawaii).

Legislative intent, as revealed in statutory language, can indicate which rural amenities matter most to voters.

- An examination of ranking criteria in several state- and county-level Purchase of Development Rights (PDR) programs in several northeastern states.

PDR program administrators use ranking systems to choose among easements offered for sale by

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landowners. If these ranking schemes reflect the intent of program legislation and favor preserving certain parcel characteristics over others, then they can reveal which amenities are most preferred by the public.

- An examination of case studies of how farmland protection legislation fits into the broad array of state and local rural land conservation programs in these northeastern states.

Because other rural land use programs may complement or substitute for farmland preservation programs, it is necessary to examine the full array of rural land conservation programs in a region to determine public preferences for rural amenities. If preferred amenities are also being provided through preservation of nonagricultural rural lands, preferences may not be fully revealed by focusing only on farmland protection.

Conclusions From the ERS Study

Although this empirical information is not conducive to definite conclusions on the values of different rural amenities, the ERS study provides a number of insights on how farmland preservation programs operate as a policy instrument for protecting rural amenities. Some of these insights suggest the kinds of amenities that seem to be most important, while others highlight concerns that affect the design and implementation of farmland protection policies.

State and local governments use farmland preservation programs to protect a large number of rural amenities. Analysis of the enabling legislation of farmland protection programs suggests that local food security, scenic beauty, and cultural heritage are primary concerns for the majority of states that have farmland preservation programs. However, the more densely populated regions are often concerned with protecting the widest variety of rural amenities, while less concern is evident in sparsely populated states and regions.

For example, the greatest interest in preserving rural amenities appears in the farmland protection legislation of states in the Northeast, Lake, and Pacific regions,

What Rural Amenities Are Provided by Farmland?

Agrarian cultural heritage includes: knowing that the rural character of the land is being maintained, and knowing that farming as a way of life continues in your community.

Rural pleasantries include: walks in pastoral settings, scenic drives in the countryside, and visiting local farms.

Supporting rural communities includes: creating a diversified rural economy, and maintaining viable rural communities.

Recreational opportunities and environmental services include: fishing, swimming, birdwatching, biodiversity, watershed protection, and flood control.

while rural amenities are not mentioned in farmland protection legislation in North Dakota, Alabama, Mississippi, Oklahoma, Idaho, New Mexico, and Wyoming. In sparsely populated states, the continued relative abundance of rural amenities may make protective legislation seem unnecessary, whereas more densely populated states often have less remaining farmland, leading them to enact a broad portfolio of programs to protect many types of rural amenities.

Most farmland protection programs focus on maintaining agricultural viability. Most programs favor protecting actively farmed agricultural landscapes rather than merely preserving open space. For example, ranking criteria of state- and county-level PDR programs in several northeastern states place high priority on maintaining active agricultural operations, rather than passive or open space uses. The strong emphasis within PDR programs on active agriculture suggests that in the Northeast, public preferences are for amenities that are uniquely provided by agriculture. But, although active agriculture is the prime concern, it is not the sole concern. For example, many PDR programs require conservation plans, which help provide “water quality” amenities in the form of reduced soil erosion.

A tradeoff may exist between long-term provision of some rural amenities from farmland and achieving the best mix of rural amenities. Many PDR programs give priority to farms that are considered most likely to stay in agriculture. In practice, this usually means favoring high-quality soils and row-crop farming, since cropland operations (particularly those

specializing in high-value commodities like fruits and vegetables) may be most likely to remain successful in the face of rising land values in urban fringe areas. If the public is interested in having a broader mix of farmlands preserved, then this focus on cropland suggests a tradeoff between providing the most desired mix of amenities today, and maximizing the long-term production of cropland-related rural amenities. Given the evidence from the enabling legislation, and evidence from survey data, the proper balance between “maximizing long-term viability” and “obtaining the best mix of preserved farmlands” is an open question.

The design of preservation programs has implications for the spatial pattern of permanently preserved lands, and hence the location of preserved rural amenities. The preservation programs reviewed generally target farms that face development pressure. Coupled with criteria favoring preservation of larger farms and blocks of farms, this suggests a preference for preserving parcels in clusters. While this outcome may be favored as a means of fostering long-term agricultural viability, it also has impacts on the distribution of rural amenities—favoring those amenities that are best produced in larger blocks of farmland.

However, other concerns likely lean toward distribution of preserved lands over a wide area. Some programs are specifically designed so that preservation funds are distributed across the jurisdiction. In others, the desire to preserve as much farmland as possible at least cost leads to prioritizing applications based on the lowest per-acre cost or on the largest

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discount at which landowners offer to sell development rights. This can result in a more scattered pattern of preserved farms, or in preservation of lands distant from urban centers.

The scope of other rural land protection policies influences the extent to which farmland preservation programs can concentrate on protecting amenities that are not dependent on active agriculture. The results of several surveys reported in the literature (on attitudes toward farmland preservation) suggest that the rural amenities many government farmland preservation programs favor may not always be the same set desired by the public. However, given the broad array of rural land conservation programs in many states, it may be efficient for farmland protection programs to give priority to agriculturally related amenities, with other programs focusing on lands that provide other rural amenities. For example, Pennsylvania's PDR program coexists with a variety of other public and private rural land preservation programs, which have protected significant amounts of rural lands for public recreation purposes or to protect lands (such as battlefields) with historical significance. Massachusetts has a variety of public and private programs dedicated to the preservation of rural land uses, both by outright purchase and by purchase of easements (both on agricultural lands and on forestlands).

The Federal Role in Preserving Rural Amenities

Since the FPP was established in the 1996 Farm Act, the Federal government has been a partner in efforts to preserve rural amenities through protecting prime, unique, and other productive soils. Findings from the ERS study suggest several ways in which the Federal program might best interact with state and local programs.

Help coordinate the actions of state and local preservation agencies. The rural amenities protected by farmland preservation are often local in nature. However, farmland preservation and the loss of rural amenities are issues in nearly all major metropolitan areas across the nation.

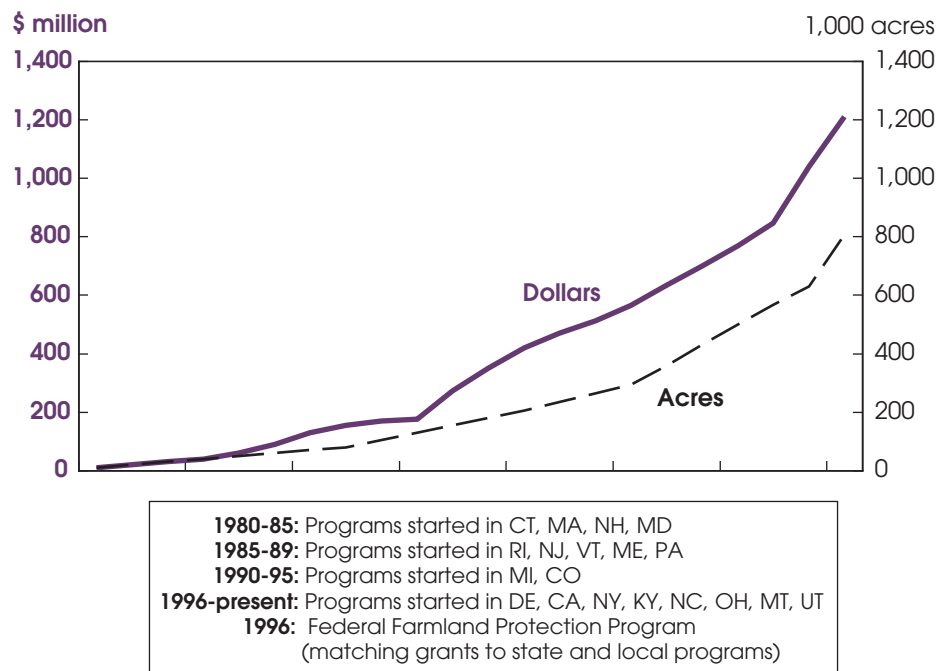
The Government's Role in Maintaining Rural Amenities

Because markets for rural amenities are limited, economic theory indicates that not enough of them will be produced. This occurs for two reasons:

- 1) Rural amenities are often a beneficial side effect that occurs in the production of a particular good. For example, a dairy farm may offer a pleasing pastoral landscape to sightseers as it provides forage for grazing cows.
- 2) For many rural amenities, it is difficult for the farmer to receive payment for providing the good. For example, although numerous sightseers can enjoy the dairy farm's beauty, the farmer cannot charge a price per view.

Farmers have little motivation to preserve rural amenities that earn them no profits, even if the benefits to the public of preserving rural amenities exceed what it would cost most farmers to produce them. Many farmers face this issue when confronted with nonagricultural development opportunities. Hence, rural amenities can be maintained through government support of farmland preservation programs by keeping more land in agriculture than market forces would provide.

Farmland Protection Expenditures and Acreage Covered



Source: American Farmland Trust.
Economic Research Service, USDA

Americans like to travel, and many Americans move across state lines when changing residence. Thus, the preservation of rural amenities can be considered a "national" issue, and the Federal government has a role in representing the nation's interests in "local" rural amenities. Coordinating state preservation activ-

ities, encouraging states to coordinate county preservation efforts, and assisting with funding would constitute a useful Federal role. The draft 2002 farm bill (in conference) contained language to significantly increase Federal matching grants from a total of \$50 million spent to date, to annual funding of \$50-\$500 million.

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Help balance the relative importance of rural amenities on privately owned farmland vs. recreational opportunities and amenities provided by publicly protected lands. These considerations can help establish Federal priorities for funding public park systems and farmland preservation programs, which may influence the distribution of funds between various rural land conservation programs.

Coordinate Federal transportation and infrastructure development activities with local preservation efforts. The Federal government should ascertain if its activities interfere with local preservation

priorities. For example, the Federal government provides grants and loans to state and local governments to finance sewer and water investments through Section 201 Municipal Facilities Construction grants and the Rural Housing Service. While these are designed to address concerns over point-source water pollution and the safety of drinking water, an unintended consequence of financing facilities that are greatly oversized for the current population may be to promote growth and thus to facilitate the conversion of farmland to residential uses.

The set of rural amenities available to rural and urban residents alike is influenced by a large and complex network of policymakers from various levels of government and nongovernmental organizations, with farmland protection policies one of a wide array of amenity preservation tools. Though each entity acts largely independently, in aggregate they shape the nation's landscape. **AO**

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Find more information on the Economic Research Service website

*Development at the Urban Fringe and Beyond:
Impacts on Agriculture and Rural Land*
www.ers.usda.gov/publications/aer803/

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